



PUBLIC HOUSING: NEW YORK'S THIRD CITY

**Community
Service
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Strengthening
New York

by **Victor Bach**
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The Community Service Society of New York (CSS)

is an informed, independent, and unwavering voice for positive action representing low-income New Yorkers. CSS addresses the root causes of economic disparity through research, advocacy, and innovative program models that strengthen and benefit all New Yorkers.

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Reader Summary

At the inception of the de Blasio administration, a July 2014 report by the Community Service Society assessed the state of New York City’s public housing, the causes that had contributed to its recent decline, and near-future directions that should be pursued.¹ The last two years have been marked by significant housing plans and initiatives—on the part of the mayor, the New York City Housing Authority (NYCHA), and the governor—intended to preserve and expand affordable housing resources.

This report assesses the progress made since 2014 in addressing the financial and physical crisis facing New York City’s public housing.

- It confirms that, after decades of government disinvestment, resident living conditions continue to be deplorable, far worse than those facing low-income tenants in the private rental market.
- It describes and assesses the efforts by the city and state, and by NYCHA itself, to address the crisis.
- It provides a demographic profile of the half-million NYCHA residents and their employment patterns, and assesses the extent to which they are organized to press government to meet their needs.
- Finally, it puts forward several recommendations for strengthening the future of New York’s public housing, notably the inclusion of public housing as part of a forthcoming national infrastructural investment initiative, and the organization of a concerted local campaign to press state and local government to reinvest in NYCHA infrastructure and preserve this critical housing resource.



The Third City

New York is said to be two cities. There is the city of the “haves,” those who can make it here. The dominant images are of Wall Street types, corporate attorneys, real estate pros, celebrities, and recently arrived yuppie emigrants. And there is the city of the “have-nots,” the lower-income wage earners, largely black or Latino, many of them immigrants, who struggle to keep a toehold in the city’s economy, meet its high living costs, and provide for their families.

In many ways, public housing constitutes a third city very different from the other two. Physically, it stands apart from the rest of its urban surround. Its constellation of 328 developments across the five boroughs consists largely of massive residential complexes, prototypically red brick, apartment towers rising over large tracts of open space that include green areas, playgrounds, and parking lots.² In this dense city, where high-rise apartment buildings are common, it is still an unmistakable configuration because it often interrupts the local street pattern. The sheer size of the city’s public housing is daunting. The New York City Housing Authority (NYCHA), its owner and manager, is the city’s largest landlord and the only public one. Its 178,000 apartments represent one out of 12 rentals in the city, housing a half-million residents, a population larger than Atlanta or Minneapolis.

Although it serves primarily a have-not population, from a housing perspective, public housing is a third city because of the unique housing challenges the authority and its residents face. Residents have the advantage of affordable rents, but they live under abysmal conditions—some call them “third world” conditions—conditions far worse than comparable tenants face in the city’s competitive, often cut-throat, low-end rental market. Public housing residents also experience higher rates of crime than other communities, due to the stresses of poverty and the extent to which “the projects” exacerbate them.³

Institutionally, New York’s public housing is under

severe threat. NYCHA is in serious financial straits, with a structural annual operating deficit⁴ and an enormous backlog of needed capital improvements to its aging infrastructure, estimated at \$17 billion over the next 15 years. In a city where virtually all rental housing is thriving, where rents have soared even as the local economy went through its worst recession in recent history in 2008, the authority is struggling for survival as it faces financial stresses and physical decline.

The New York City Housing Authority’s 178,000 apartments represent one out of 12 rentals in the city, housing a half-million residents, a population larger than Atlanta or Minneapolis.

The resulting housing inequities experienced by public housing residents center largely on their substandard living conditions. They must cope daily with accelerating deterioration—leaking roofs, failing elevators, fragile plumbing, crumbling facades, toxic mold, and the like. Unlike lower-income tenants in the private rental market, their crisis is not affordability, but whether they can survive the deterioration of their buildings and homes, and the institutional failings of an authority attempting to stem the decline with only marginal support. It is an institutional context in which efforts are clearly being made, but one in which no one can assume full responsibility for the frequent failures. Residents ultimately bear the cumulative costs of decades of government disinvestment and neglect. Although they may acknowledge recent attempts by the de Blasio administration to address this situation, many resident leaders, after years of putting up with unresponsive management and mounting physical deterioration, remain angry, distrustful, and fearful that they will ultimately lose their homes.

Perhaps most importantly, public housing is a third city because political leaders view it as separate from the rest of their housing agendas. NYCHA sits in the midst of a city and state known for their housing activism compared to their counterparts elsewhere.⁵ In recent years, both Mayor Bloomberg and Mayor de Blasio have launched ambitious, multi-billion dollar plans for affordable housing—plans that call primarily for preservation as well as construction—in which NYCHA was not included despite its desperate situation. This year, Governor Andrew Cuomo in his State of the State message announced a \$5 billion, 5-year affordable housing initiative, with no mention of public housing. There are bitter ironies here, particularly for the authority. For most of its eight decades,⁶ NYCHA was considered a national model for large-city housing authorities, a high performer running the largest program in the nation, with Chicago running a distant second.⁷

This paper provides an overview of the current state of the city's public housing, the causes underlying its marginalization and decline, as well as a description of what is being done to address its preservation problems, and what remains to be done. It begins with a summary of the recent history of government defunding and disinvestment in NYCHA's public housing. An analysis of resulting housing condition trends from 2002 to 2014 follows. It profiles NYCHA's resident population, in part as a way to dispel some of the misimpressions surrounding who they are.⁸ Finally, it assesses recent government efforts to address the inequities experienced by public housing residents and puts forward near-future policy directions and strategies that might increase the chances of success.

A Perfect Storm of Government Disinvestment

From the turn of the millenium to the present, NYCHA has been experiencing what some call a “perfect storm” of government disinvestment. The multiple forms that disinvestment took have been chronicled in detail in a 2014 CSS report.⁹ Briefly, every level of government was implicated.

Chief among them was the federal government. Chronically inadequate capital and operating funding since the Reagan administration transmuted into starvation funding during the George W. Bush administration. There was relief for a short time under the early Obama administration. In 2009, the federal budget provided full funding for the program; a substantial dose of additional capital funds—\$423 million—was allocated to NYCHA under Obama's economic stimulus bill (ARRA),¹⁰ before the federal budget tightened again as Congress moved toward deficit reduction and sequestration. The resultant federal operating shortfall between 2000 and the present is estimated by NYCHA at \$1.4 billion.¹¹

The state also played a significant role in defunding NYCHA. In 1998, Governor George Pataki terminated operating subsidies to state-financed public housing, leaving NYCHA holding 15 state developments that received no operating subsidies from any level of government. The resulting operating shortfall, estimated by NYCHA at \$60 million annually, accumulated to \$720,000 million by 2010, when the developments were finally federalized under ARRA.

The city did its share of damage as well. During the post 9-11 fiscal crisis, Mayor Michael Bloomberg terminated operating subsidies to the six city-financed developments, leaving NYCHA with an annual operating shortfall of \$30 million, a cumulative shortfall of \$240 million by 2010 when they were federalized. The burden for the city's share of NYCHA's community center programs was also passed on to the authority. As the city recovered and began to generate unprecedented surpluses, the operating

subsidies were not resumed. Even as NYCHA recorded unprecedented operating deficits—\$235 million in 2006—the mayor continued to extract from NYCHA over \$100 million in required annual payments to the city for police services and PILOT payments in lieu of property taxes. This practice continued until 2014, when Mayor de Blasio relieved NYCHA of the payments.

This persistent disinvestment had a profound impact on NYCHA's ability to manage its housing and use what federal capital subsidies it received for major infrastructural improvements. Operating reserves had to be tapped, a factor which led to NYCHA's demotion by HUD as a "high-performing authority" by 2007. What could be moved from capital subsidies to cover the gap in operations was transferred,¹² leaving NYCHA with even less capacity to make major improvements. NYCHA's workforce headcount was reduced from 15,000 in 2002 to 11,000 at present. Its intention was to shrink administrative positions, but front-line management and caretaking staff at the developments were also affected.

This broadside of government disinvestment, coupled with the authority's rising internal costs for utilities and employee health and pension benefits, were devastating to NYCHA and its residents. Tightened resources meant poorer management and fewer repairs or improvements to its aging buildings. Although resident complaints had been mounting for some time, by 2008 the cumulative impact on their living conditions was unavoidable.

Another Kind of Housing Crisis—Affordable, but Deteriorating Housing

In American cities as a whole, low-income tenants¹³ are experiencing a "rent affordability crisis" of mounting proportions, in which soaring rents outpace static incomes and subsume a growing, disproportionate share of household income.¹⁴ In New York City there are roughly 600,000 low-income households who rely on the private rental market, without benefit of government assistance that assures affordable rents in relation to income. They face enormous financial stresses in the city's tight, high-cost rental market. In 2014, they carried a median rent burden of 49 percent of household income in 2014.¹⁵ About half paid at least half their incomes toward rent.

Public housing residents, unlike their low-income counterparts in the private rental market, are shielded from the affordability crisis—federal law requires their rents be capped at 30 percent of household income, the prevailing affordability standard.¹⁶ Instead, they face an infrastructural crisis, marked by a steady decline in living conditions that has accelerated in the last decade. (See Chart 1.)

The NYC Housing and Vacancy Survey (HVS), conducted every three years by the U.S. Bureau of the Census, asks respondents to report on seven specific deficiencies in their apartments.¹⁷ As of 2014, the most recent HVS, over a third (35 percent) of NYCHA residents reported three or more apartment deficiencies, and over a sixth (18 percent) reported at least four deficiencies. Deficiencies began to spike in 2008, no doubt as the cumulative consequence of an unprecedented period of government defunding at all levels.

Low-income tenants in the private rental market are, of course, not immune to similar deficiencies in apartment conditions. But they experienced no similar decline in living conditions, nor an infrastructural crisis comparable to their public housing neighbors. (See Chart 2.)

CHART 1. NYCHA HOUSEHOLDS REPORTING AT LEAST 3 DEFICIENCIES, 2002 TO 2014 HVS

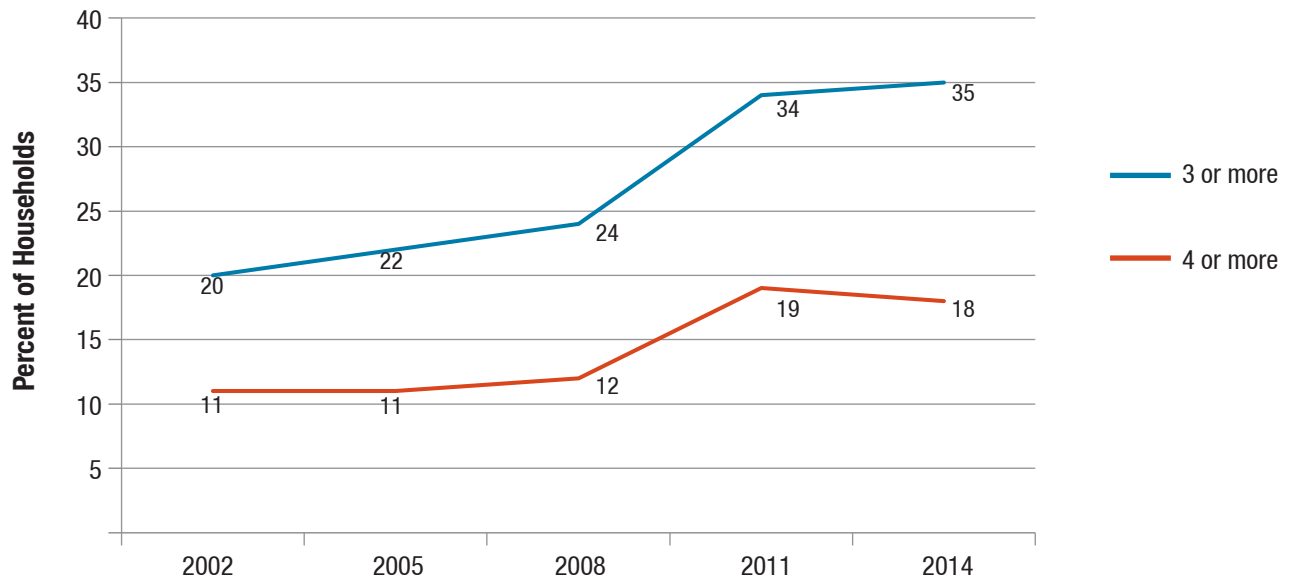
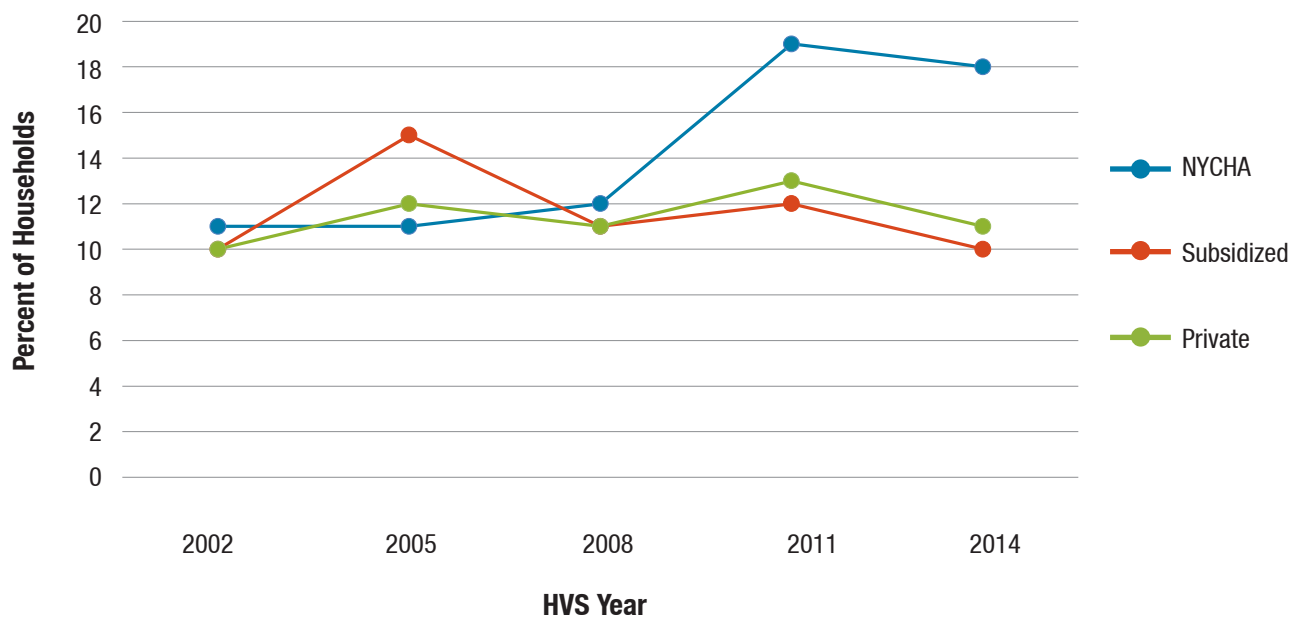


CHART 2. HOUSEHOLDS REPORTING 4 OR MORE DEFICIENCIES BY RENTAL SECTOR, 2002 TO 2014 HVS



As of 2002, condition deficiencies in NYCHA apartments roughly paralleled those in unassisted private rentals and in other subsidized housing.¹⁸ Over the ensuing twelve-year period through 2014, NYCHA deficiencies increased substantially while those in the other rental sectors remained relatively stable.

The chart indicates a leveling off of NYCHA deficiencies between 2011 and 2014, compared to the prior three years. This may be in part the effect of a belated response of the Bloomberg administration to repeated resident complaints. In January 2013, the mayor and the authority committed themselves to an “aggressive action plan” to eliminate 420,000 outstanding repair work orders by the end of the year. Forty million dollars in NYCHA’s administrative budget was repurposed and allocated to front-line management for repairs. City Council contributed \$10 million to hire residents to do some of the work. Apparently, even a small degree of reinvestment in NYCHA repairs and upgrading may have made some difference.

An analysis of specific deficiencies—the five NYCHA residents most frequently mentioned—indicates that those related to major infrastructural problems were the most persistent. (See Chart 3.) Among the seven deficiencies, the two least frequently registered are toilet breakdowns and requiring additional heating. Among the major five most frequently registered deficiencies, the only significant reduction was in rodent infestation, which may partially account for the observed leveling off. But water leaks, cracked walls, and heating breakdowns persisted at the same levels, while severe plastering/painting needs increased between 2011 and 2014, deficiencies that were closely related to infrastructural problems. In 2014, the incoming de Blasio administration, by and large, inherited the backlog of repair and infrastructural problems left in the wake of the Bloomberg administration.

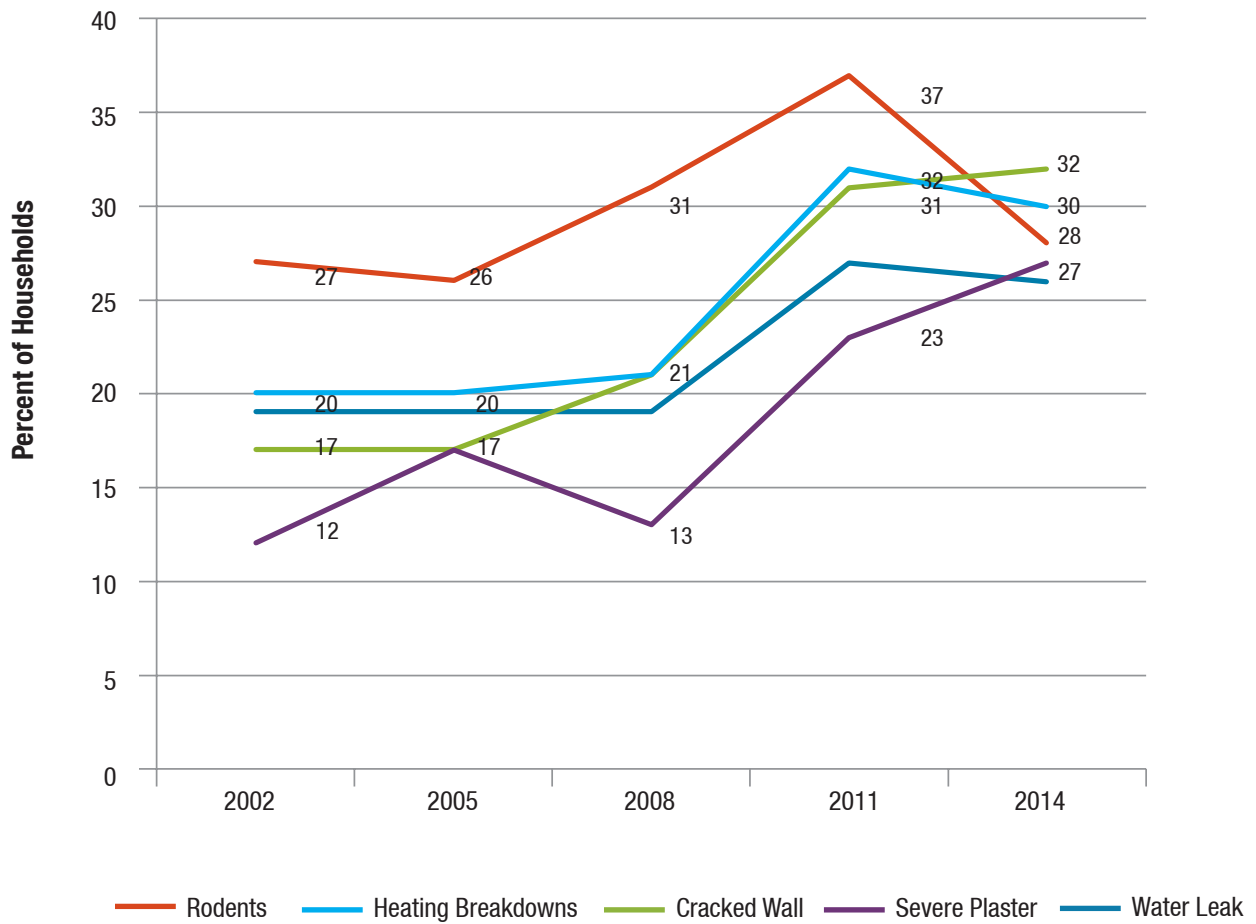
The Residents

There is much confusion in the media, and even among some social policy professionals, about who lives in New York’s public housing. I have heard public housing described as a place for “mostly public assistance families” or as the epicenter of disconnected youth. The images, of course, reinforce the prevailing stigma attached to “the projects” and make it more difficult to garner support for what they need.

Residents are sensitive to the defamation of public housing. They reject the term “project” when outsiders use it—not when they themselves do—preferring the term “development.” And there is a certain misplaced pride in their preference to be called “residents” rather than “tenants.” At meetings, resident leaders tend to address each other formally—as Mr., Mrs., or Ms.—rather than use first names. Length of residence is overtly considered a value—at meetings or hearings, residents will often establish their credentials in terms of the number of decades they have lived there. This section offers a brief profile of New York’s public housing residents, based on characteristics provided in the HVS. In doing so, it attempts to dispel some of the images of residents that hamper efforts to deal with their housing inequities.

Many low-income New Yorkers place a premium on living in public housing, despite the substandard conditions that prevail. Among current residents, the turnover rate for apartments is relatively low, 2.6 percent for 2015, with a vacancy rate of 0.5 percent.¹⁹ This is no doubt because the alternative—finding a suitable apartment in the city’s housing market at a near-affordable rent—is virtually impossible. In 2014, the median length of stay for public housing residents was 15 years. One out of four households had moved in prior to 1990, at least 24 years earlier. In recent years, the waiting list for NYCHA apartments reached an unprecedented high, now at 259,000 households.²⁰ Public housing may be stigmatized, and conditions may be poor, but that seems to matter little to low-income New Yorkers who want the affordability and potential economic security it offers.

CHART 3. NYCHA HOUSEHOLDS REPORTING SELECTED DEFICIENCIES, 2002 TO 2014 HVS



Racial/Ethnic Composition

Public housing has maintained a consistent resident profile in recent decades with little variation, no doubt because of its low turnover. It serves primarily people of color. In 2014, blacks and Latinos accounted for 90 percent of households, in roughly equal numbers, although in earlier decades African-Americans predominated. More recently Latinos have taken a slight lead at 46 percent of households, with blacks at 44 percent. In 2014, only five percent of households identified themselves as white and four percent as Asian or Pacific Islander.

Income and Employment

Residents constitute a primarily low-income population—45 percent of households fall within the federal poverty level, which was \$18,552 for a family of three in 2014. Another third (32 percent) are “near-poor” with above-poverty incomes up to twice the poverty level. Due to NYCHA’s admission policies over the years, and its resistance to evicting overincome families, NYCHA serves a relatively wide income range and has avoided the high poverty concentrations characteristic of other large-city housing authorities. Beginning in 1988, NYCHA instituted “ceiling rents”—maximum rents based on apartment size, regardless of household income,²¹ for the express purpose of keeping upwardly mobile households in the community.

CHART 4. INCOME DISTRIBUTION, NYCHA HOUSEHOLDS, 2014 HVS

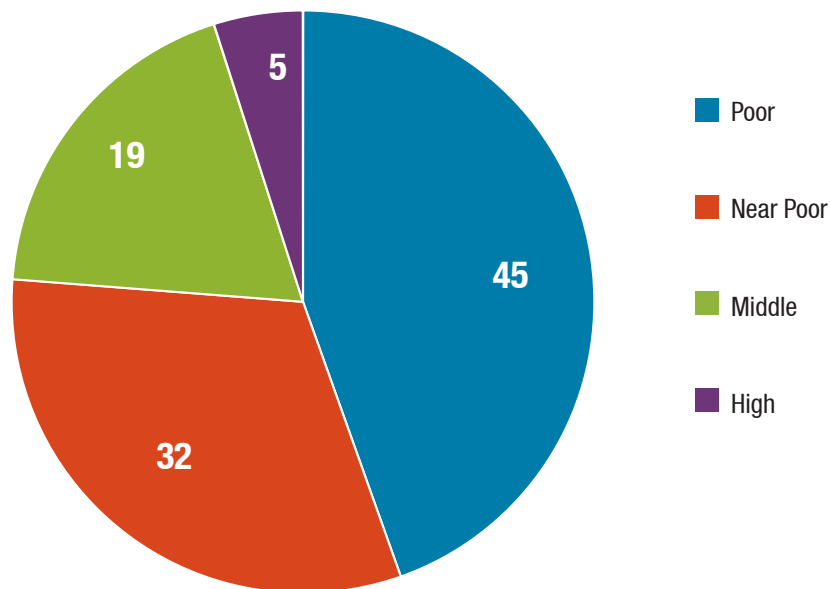


Chart 4 depicts the 2014 income distribution of NYCHA households—“middle income” ranges from twice to four times the poverty level (maximum, \$74,000 for a three-person household), and “high income” is any income above that level. About a quarter (24 percent) of resident households are in the “middle” or “high” income category.

Technically, HUD considers households as “overincome” and subject to eviction when incomes exceed 80 percent of the HUD area median income (in 2016, about \$78,000 for a family of three), the income limit for admission to public housing. In 2014, about 12,000 NYCHA households (7 percent) qualified as overincome. Periodically, the issue of overincome families occupying apartments needed for lower-income families becomes a heated, media-driven issue in Washington. This year Congress passed a bill requiring housing authorities to identify households with incomes above 120 percent of the area median income for at least two years and charge them the higher of the Fair Market Rent or the full government subsidy for the apartment, either that or terminate the tenancy.²² NYCHA always represents a high proportion of the estimated national number of overincome households at risk of eviction.

NYCHA households support themselves from a variety of income sources, but the dominant source is earnings from work. (See Table 1.) A majority of households (60 percent) have at least one working member, and a substantial portion (39 percent) rely exclusively on earnings. Over a third (34 percent) of households receive retirement income from previous employment, but few (16 percent) rely on that exclusively. Public assistance—Temporary Assistance to Needy Families (TANF), Safety Net Assistance, and Supplemental Security Income (SSI)—support fewer than a third (32 percent) of NYCHA families. The dominant form of public assistance is not “welfare,” but SSI for the elderly and disabled who are ineligible for social security. All in all, three-quarters of resident households (75 percent) rely exclusively on a single source of income, primarily work. But a substantial proportion (25 percent) receive income from multiple sources. With 60 percent of households having at least one working member, 34 percent having at least one retiree, and few relying on welfare, there seems to be no dearth of potential models who mirror the work ethic.

**TABLE 1. INCOME SOURCES,
NYCHA HOUSEHOLDS, 2014 HVS**

	<u>An Income Source</u>	<u>Exclusive Income Source</u>
Work	60%	39%
Retirement	34%	16%
Public Assistance	32%	11%
SSI	25%	7%
TANF	9%	2%
SafetyNet	2%	
		75%

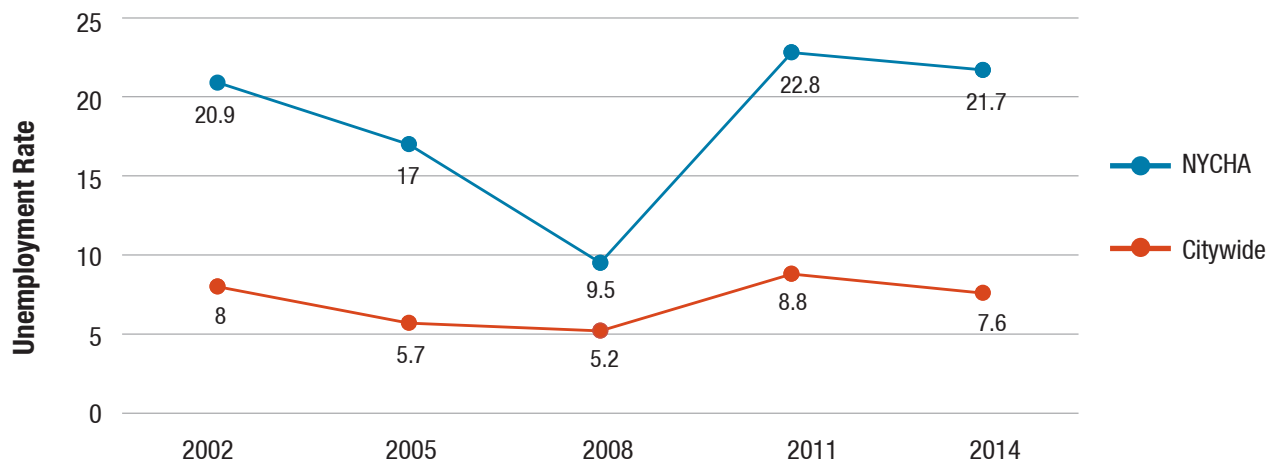
Not surprisingly, unemployment rates among working-age NYCHA residents—those between the ages of 18 and 65—tend to be consistently higher than citywide unemployment rates. (See Chart 5.) The NYCHA workforce has lower levels of education, training, and work experience that would qualify them for more secure, higher-paying jobs. About 30 percent of working-age adults do not have a high school diploma and only 10 percent have a college degree. As a result, they are more vulnerable to downturns in the local economy.

Interestingly, the resident workforce is responsive to upswings in the economy. Between 2002, in the midst of the post 9-11 recession, and 2008, during the economic surge that preceded the Great Recession in the city, resident unemployment plummeted from 20.9 to 9.5 percent, just 4 points above the citywide rate. But, hard-hit by the post-2008 recession, the NYCHA workforce was less resilient

than the citywide workforce. Its unemployment rate rose again, to 21.7 percent by 2014, close to that of 2002.

As a rule, a substantial portion of NYCHA working-age residents are not seeking work, on the average about 44 percent between 2002 and 2014. One out of six have health and disability barriers to work. NYCHA's large population of elderly and disabled is due in part to the aging of its family population and to its special accommodations: 55 developments (about 10,000 units) are designated specifically for the elderly and disabled. On the average, another 12 percent of working-age adults are in school or training, and 6 percent have family or child responsibilities that preclude working. Another 10 percent are not seeking work because they have retired or for other reasons. In that regard, NYCHA residents do not differ greatly from other low-income, working-age residents in the city. (See Table 2.)

CHART 5. UNEMPLOYMENT RATES, NYCHA WORKING-AGE RESIDENTS AND CITYWIDE, 2002 TO 2014



Citywide unemployment rates: U.S. Bureau of Labor Statistics, NYCHA unemployment rates: 2002 to 2014 HVS

TABLE 2. LABOR FORCE PARTICIPATION, NYCHA VS. LOW-INCOME WORKING AGE RESIDENTS, 2014 HVS

	NYCHA	Low-Income
Working	47%	51%
Seeking Work	13%	10%
Not Seeking:		
Health/Disability	15%	10%
In School/Training	11%	12%
Family Responsibilities	5%	8%
Retired or Other	10%	9%

The NYCHA workforce consists largely of women (67 percent), consistent with the gender distribution among working-age residents. The dominant household configuration is one with a single woman (47 percent) largely without children under 18, in many cases living with older adults. Over a third (35 percent) of NYCHA households include children under 18, and those are mostly headed by single women. Only one out of six households include married couples. A small proportion (8 percent) of households are large with more than four members.

Few NYCHA workers (5 percent) are employed in manufacturing or construction. That so few are employed in construction (3 percent) is a frequent source of contention between residents and the authority, particularly when large renovation contracts are let at a development. Under federal law, a provision known as Section 3 requires that housing authorities make maximum feasible efforts to train and open up jobs to residents in HUD-funded construction projects.²³ There is strong resident interest in these opportunities and NYCHA has made recent

improvements in its Section 3 efforts, but relatively few residents have found opportunities in the construction trades.

Nearly all of the NYCHA workforce are employed in service industries. The health sector is the largest single employment source (20 percent), with retail services running second (14 percent). Other major sectors that provide work include accommodation/food-related services (9 percent), education services (8 percent), transportation/warehousing (8 percent), and public administration (5 percent).

This picture is a far cry from the image of public housing residents as a “dependent” population. The physical separation of “the projects” from their immediate surround should not be mistaken for social isolation. NYCHA, through its admission policies, seems to have managed to create residential communities that, despite their clusters of minority and low-income households, have a significant core of working and retired individuals with a connection to the world of work.

Resident Power: “The Sleeping Giant”

Among the city’s political insiders, NYCHA residents are sometimes referred to as a “sleeping giant.” Because of their size and their reputedly lower voting participation, there is awe at the prospect of what might happen if the giant were sufficiently aroused.

That residents have cause for arousal is clear. By 2011, when several advocacy organizations issued a “report card” on NYCHA, a number of demonstrations had taken place to protest building conditions. The report, based on a resident survey, concluded:

“Widespread disinvestment and mismanagement of the public housing stock is negatively impacting the residents’ quality of life. Repairs take too long...and public spaces are crumbling.... Building managers are allowed to operate unchecked and are not held responsible.... Residents need to lead the push for change and work with advocates and public housing officials to pull New York City out of its ongoing crisis.”²⁴

The call for resident leadership is a persistent one, both among advocates and residents themselves. There is a formally articulated structure for resident organization and leadership at NYCHA. Many hard-working leaders deal daily with the issues that confront their neighbors and communities—getting necessary repairs from management, dealing with local incidents, mediating resident grievances, securing programs for their community centers. The president of a resident association is, in effect, the “mayor” of his or her development. Yet, despite their commitment, they have not yet been able to summon the political strength to demand from government what they have every right to expect—a decent home. The question of why the giant hasn’t stirred, or awakened sufficiently to address the crisis in its midst, is a perplexing one, without a simple answer.

Under long-standing federal regulations, public housing residents have the right to organize. The HUD 964 regulations²⁵—sometimes called the resident bill of rights—

guarantee their right to form resident associations at each development and they specify the conditions that must be met to be recognized as such. Once an association is duly formed and its officers elected, the housing authority must recognize it as the sole representative of the community as a whole and consult it about all decisions that may affect the development. This is a close second to labor’s right of collective bargaining.

The HUD regulations also allow for simultaneous creation of a “jurisdiction-wide” resident organization to represent all developments in dealings with the housing authority. NYCHA has a very articulated citywide resident governance structure: it divides the city into nine geographical districts, two in Manhattan and the Bronx, three in Brooklyn, and one each in Queens and Staten Island. Within each district, resident association presidents come together to form a District Council that meets regularly and elects a chair. The nine elected district chairs form the Citywide Council of Presidents (CCOP), the jurisdiction-wide resident body. HUD 964 regulations require that NYCHA consult with CCOP about all policies and plans for public housing.

In the best of all possible worlds, this articulated structure would serve as a ready framework for resident mobilization and action. But there are serious functional weaknesses. To begin with, one out of three NYCHA developments does not have a resident association and there is no consistent effort to organize them. While some resident associations are strong—that is, well attended and closely linked with outside community leaders—typically they are led by a small circle of dedicated, long-term resident leaders who show up at meetings that are poorly attended by the resident constituency at large.²⁶ Greater participation in the association is a chronic problem.

The reasons are numerous: most residents are too busy with work and family to get involved in association meetings, unless an immediate crisis or issue is at hand, in which case the numbers increase. In the past, when NYCHA housing management was more efficient and responsive, participation may have been less urgent and there was little reason to turn out.

Moreover, an institutional paternalism prevailed: what was good for NYCHA would be good for residents. Any problems could be worked out in the “NYCHA family.” Residents did not need to have a strong organization.

That trust is now rapidly dissolving due to the infrastructural crisis, but resident leaders still have a tendency to deal with their problems within the NYCHA family, rather than seek support from outside resources, such as elected officials, community organizers, and advocacy organizations. This interiority can take the form of a constant stream of complaints about and to NYCHA, complaints that are not heard elsewhere. The attitude also reflects a distrust of outsiders. The more experienced

Despite their commitment, resident leaders have not yet been able to summon the political strength to demand from government what they have every right to expect—a decent home.

resident leaders know better and link themselves with external supports. But, as a rule, leaders tend to work within NYCHA rather than widen the engagement. The more frustrating their attempts are, the more they will confront NYCHA and the louder their complaints may be, but they are too seldom heard outside the family. Compounding this pattern is a prevailing belief among

many leaders that they can handle their problems alone, as if working with outside resources would be a sign of weakness, rather than empowering. At a recent resident meeting, I was identifying available technical assistance resources when one older gentleman said, “I know the problems of my community. I’ve been living here for years. I don’t need anyone else.” This attitude reinforces the interiority of resident efforts, their tendency to focus almost exclusively on mothership NYCHA rather than channel their energies into a more inclusive, comprehensive effort that gives them a voice that can be heard outside NYCHA, at City Hall, in Albany, and in Washington.

Resident attitudes have changed swiftly with the accelerating physical decline of NYCHA communities. There is growing anger among residents, some of which may be reflected in a high level of rent arrears totalling about \$50 million—about 25 percent of households are behind in rent.²⁷ It may be an anger that can be tapped to mobilize large numbers of residents and give the sleeping giant a voice that can not be ignored.

Moreover, there are funding resources available to support more intense resident involvement and advocacy. Each year since 2003 HUD has provided about \$4 million in Tenant Participation Funds to support NYCHA resident participation.²⁸ At present, roughly \$10 to 13 million to support resident leadership training and involvement remains unspent. And there are many willing and able advocacy organizations prepared to work with resident leadership and offer strategic advice and support.

The question is one of leadership initiative within the resident ranks. CCOP would seem to be the natural base from which to act—to coordinate resources, articulate policy positions, design campaigns, develop advocacy strategies, and mobilize residents. Despite CCOP’s new openness to outsiders, that does not seem to be happening, for several reasons. CCOP members come up through the ranks as resident association presidents, where they function as “mayors” of their developments, effectively a full-time job handling the immediate problems of their

communities. By and large, they are not policy wonks, campaign developers, or organizers. Responsibilities as district chair further tap their energies. CCOP, which meets regularly two afternoons each month, gets what energy is left over.

These questions might be resolved if CCOP had appropriate staff resources funded through TPA. It has no staff to keep its records, or represent it at critical meetings where advocates and others are debating policies, formulating positions, and developing strategies. This separateness is a critical problem. Surprisingly, CCOP does not have its own funding base—once NYCHA takes its administrative fee, all TPA funds are distributed to the Districts based on the number of occupied units. This arrangement makes clear that the priorities of CCOP members are more closely tied to their districts than to CCOP as a functioning entity.

Resident leaders, the hundreds of resident association presidents, expect more of CCOP than it can provide. As a result, its image as a leader tends to be weak. Its absence from the tables at which advocates are debating issues and taking positions means it tends to be ignored by them. Because it is not a more forceful presence, a “thorn” in NYCHA’s side, CCOP can be easily bypassed by the authority in its major decisions, despite the 964 regulations. At present, advocates are more likely to get advance notice of emerging NYCHA policies than CCOP.

Public housing infrastructure and the capital needed to restore it would be the central pillars of any long-term resident campaign. Demands would have to be pressed at all levels of government. There are the beginnings of this kind of mobilization evident in the two recent Albany rallies, but the impetus for these events came largely from Community Voices Heard and the advocates. Many resident leaders participated, but CCOP was not directly involved.



What Is Being Done?

With the election of Mayor Bill de Blasio in 2013, the city demonstrated a renewed interest in addressing NYCHA's financial and physical problems. By early 2014, the mayor fulfilled a campaign commitment by suspending the authority's required annual payment to the city for police services, adding over \$70 million a year to its operating resources. Shola Olatoye, a fresh face in public housing, was appointed NYCHA chair and chief executive officer. That Olatoye came from the New York office of Enterprise Community Partners, a national organization that plays an intermediary role in affordable housing development, suggested that priority would be placed on housing development on available NYCHA land, a continuation of Bloomberg's stalled Infill Program.²⁹ Whether needed housing management reforms to address the mounting backlog of repair work orders and outstanding major improvements would be high on NYCHA's agenda was an open question.

In the spring of 2014, the mayor announced his ambitious Housing New York plan,³⁰ with a goal of 200,000 affordable housing units over ten years, 80,000 to be constructed, 120,000 to be preserved. About \$8 billion from the city's capital budget was committed to the plan. Despite its emphasis on preservation, the plan barely mentioned NYCHA. Instead, a parallel plan to address NYCHA's issues—dubbed the NextGeneration NYCHA plan—was scheduled to be released early in the coming year. The mayor's signature affordable housing program was to focus on the private sector, the production of affordable housing and the preservation of affordability in privately-owned properties, such as federally-subsidized developments at risk of expiration and the controversial pending sales of Stuyvesant Town and Peter Cooper Village. Despite the mayor's overt commitment to NYCHA, from the start his housing plan created a separation—a “firewall”, if you will—between its affordable housing thrust and the preservation of public housing.

At the same time, there was a mounting call among advocates for a long-term capital investment in NYCHA—“a Marshall Plan for NYCHA”—at both the city and state levels. In September 2014, City Comptroller Scott Stringer entered the fray with a proposal that Battery Park City Authority (BPCA) excess revenues over the coming decade³¹ be dedicated to NYCHA capital improvements. BPCA could be expected to generate \$40 million a year in excess revenues, \$400 million over the decade. To date, both the comptroller and Governor Andrew Cuomo have agreed to commit the funds, but the mayor has demurred, possibly because of the impact on city revenues. Signatures of the three political leaders are required to make it happen.

In early 2015, the mayor continued to be generous with NYCHA. His budget permanently relieved NYCHA of over \$30 million annually in PILOT payments in lieu of property taxes, as well as the \$70 million for police payments. NYCHA's popular community center programs, at risk for years because the authority could no longer afford them, would be taken over by the city's Department for the Aging and the Division of Youth and Community Development. Most importantly, the mayor's capital budget included an allocation of \$300 million over three years for 27 NYCHA roof replacements. Roof replacements are a costly, system-wide NYCHA problem, critical in stemming the water leaks and toxic molds that affect multiple apartments down the line. In a bold gesture, the mayor also put the state on notice, challenging Governor Andrew Cuomo to match the city's capital commitment.

In an effort to draw state as well as city support for the Marshall Plan, advocates and resident leaders focused their attention on Albany. In March 2015, over 600 residents rallied in Albany, in an unusual show of strength expertly organized by Community Voices Heard. The demand was for a significant state commitment—\$100 million annually over ten years, a total of \$1 billion for

NYCHA improvements. The figure came close to matching the operating shortfall that resulted from years of state disinvestment. With support from key legislators, residents and advocates scored a victory: the governor's 2016 budget included a commitment of \$100 million for the year, with provisos requiring oversight by the state Housing and Community Renewal (HCR) agency and implementation by its Dormitory Authority (DASNY). These provisions reflected widely-held concerns among legislators that NYCHA lacked the accountability and capacity to put the funds to rapid use.

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In April 2015, NYCHA submitted a proposal to HCR for the \$100 million, calling for 123 roof replacements in 18 developments where they were most urgently needed. Without responding directly to the NYCHA proposal, the governor instead decided to distribute the funds in lesser amounts, \$2 million to each legislative district with public housing. Legislators were asked to submit their own proposals for using the funds, following HCR guidelines. Oddly, the guidelines prohibited major improvements like roof replacement and encouraged less urgent "quality-of-life" improvements, such as security devices, landscaping and playground improvements, new appliances, and the like. Apparently, the governor was not about to address NYCHA's profound infrastructural problems, instead preferring to spread the funds as political capital at the district level. It is unclear whether the governor's decision to disperse the funds was a product of a growing rivalry with the mayor, or a signal that for the foreseeable

future he preferred the state steer clear of NYCHA's bottomless \$17 billion backlog on the grounds that they were Washington's responsibility. It is notable that, to date, because of the multiple layers of state oversight and approval required for the \$100 million allocation, the commitment of even these limited funds has been delayed.

In May 2015, the NextGeneration NYCHA plan³² was released, a comprehensive analysis and approach to the authority's major issues, including its financial straits, needed reforms in housing management, and more concerted efforts at "resetting" resident engagement. As for capital generation and the reduction of its backlog, its thrust took the form of two major housing transformations: first, the leasing of available NYCHA land for private residential development and, second, the conversion of selected developments to privately-owned affordable housing.

The NYCHA plan called for the construction of 17,500 apartments, 10,000 units in 100-percent affordable developments, 7,500 in mixed-income (50-percent affordable) developments.³³ Roughly 13,750 units (80 percent) would be affordable housing—a reversal of the Bloomberg Infill 80/20 proposal—and the rest would be market rentals. NYCHA estimated that fifty to sixty developments were likely to be affected. In effect, NYCHA land would contribute to one-sixth of the construction goals in the mayor's housing plan. In return, NYCHA envisioned the mixed-income developments located in the stronger rental markets would be its largest revenue generator, yielding an estimated at \$300 to 600 million in developer and leasing fees over the decade, which could be allocated to major improvements.

The plan called for another housing transformation in NYCHA communities: the shedding of some of its more costly-to-manage developments, an estimated 15,000 units in scattered-site developments and obsolete tower-in-the-

park developments.³⁴ These developments, it was hoped, were to be converted under the HUD Rental Assistance Demonstration (RAD) Program and transferred to private, nonprofit ownership as permanently affordable housing.

Under RAD, the public housing subsidies for a selected development—capital and operating—are combined and converted into long-term rent assistance contracts,³⁵ making it possible for the new owner to draw investment capital to rehabilitate to a high standard.³⁶ Permanent affordability is assured because the law requires HUD and the owner to renew contracts once they expire. RAD is the only program opportunity Washington is offering to housing authorities to recapitalize and preserve existing public housing developments, albeit as privately-owned Section 8 housing, not public housing. But the program is presently capped under federal law at 185,000 units nationwide. Several large-city authorities, like San Francisco and Baltimore, are already using it to convert most if not all of their inventories. Since the limit had already been reached in HUD applications, how NYCHA would qualify for the HUD program remained an open question.

NYCHA's first and only attempt at RAD conversion had been initiated during the Bloomberg administration. It gained HUD approval for the conversion of Ocean Bay Apartments (Bayside), 1,400 units located in Far Rockaway.³⁷ During the de Blasio administration, after a period of intensive resident engagement, NYCHA issued a request for proposals (RFPs) in late 2015 and a development team was selected by July 2016.

The downside of RAD is that conversion requires privatization of the developments. Converted developments exit the public housing program (Section 9) and become part of HUD's program for private, multi-family housing (Section 8). Against those who questioned the NextGeneration plan on the grounds that it called for privatizing close to a tenth of NYCHA's inventory, the

authority argues that the converted developments would be permanently affordable; they would be rehabilitated to a high standard; and, since the development would be leased for 60 years rather than sold, NYCHA would continue to play a role in the new ownership entity. NYCHA estimates that, if HUD accedes, the planned RAD conversions would reduce its capital backlog by a considerable \$3 billion over the decade as a result of private takeover and investment in restoration.³⁸ In addition, the operational savings would be significant.

The NYCHA housing plan raised many issues: How “affordable” would the newly developed housing be? Would it also be accessible to current on-site residents? Would revenues generated be used for on-site capital improvements or allocated elsewhere? Should NYCHA land be used to develop market-rate housing? Should public housing be privatized? The housing measures were recognized as necessary to raise the capital the NYCHA inventory needs and make critical operational savings. Although the NextGeneration plan was not universally endorsed by resident leaders and housing advocates, there was no strenuous vocal opposition, not enough to make a difference. Despite debates about many of its provisions, it gained acceptance in the absence of any discernable united opposition.

Viewed from the perspective of a capital-starved housing authority, the NYCHA plan was in effect a “bootstrap” operation. The planners had found ingenious ways within their means to cut operating costs and raise the capital needed to reduce a portion of its sizeable backlog. But there was no significant capital support from the city, beyond the \$300 million already committed to roof replacement. NYCHA land would be used to fulfill a major portion of the construction goals in the mayor's Housing New York plan, but there was no further city capital commitment envisioned. The firewall separating the two initiatives—the

mayor's plan and the NextGeneration plan—remained in place, and NYCHA seemed the less favored child.

In early 2016, the mayor expanded his commitment to NYCHA with an allocation of over \$70 million in the city expense budget for façade work. Many of NYCHA's aging buildings have crumbling facades that need to be shored up. Because HUD regulations consider façade work as repairs rather than eligible capital expenditures, NYCHA would be hard put to allocate limited operating resources for the purpose.

With a new FY 2017 state budget pending, in March 2016 hundreds of NYCHA residents again travelled to Albany to press for new capital commitments, this time specifically for infrastructure improvements. Prospects were good. In his state-of-the-state message, the governor had announced a \$5 billion, 5-year affordable housing initiative. Residents and advocates called for an appropriate, parallel 5-year commitment to NYCHA preservation. The budget released in April did include \$2 billion over the year for affordable housing, but contained no specific allocations. Those were to be decided later in a memorandum of understanding to be reached jointly by the governor, the Senate, and the Assembly. The Assembly and some committed state senators pressed for \$500 million for NYCHA capital improvements, but no agreement has been reached to date. It is unclear at present whether and how the funds will be allocated.

Well before the NYCHA plan was released, several notable reforms in housing management were initiated in the early de Blasio administration, reforms intended to make management more efficient and more responsive to resident dissatisfactions. The 420,000 outstanding repair work orders at the start of 2013 during the Bloomberg administration were addressed using the \$70 million NYCHA would have had to pay for police services. By 2016, open work orders were reduced to an average

level of about 140,000 each month. Over 80 percent of non-emergency work orders are now handled within 15 days and 80 percent of emergency work orders within 24 hours.³⁹

An innovative demonstration called OPMOM was launched in 2015—now called NextGen Operations—with the objective of decentralizing on-site management to make it more flexible and responsive. In 18 developments, front-line management was freed from having to go through tiers of borough management to prepare budgets and carry out repairs.

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More recently, in early 2016, NYCHA launched the FlexOps demonstration, which instituted staggered management shifts—from 6 a.m. to 8 p.m.—in selected developments, after much controversy with the unions. Prior to that, on-site management worked a single shift from 8 a.m. to 4:30 p.m., which made them unavailable for repairs in the evenings when residents were more likely to be home from work. The wider coverage, albeit with still limited staff, will no longer cause residents to lose workdays in order to get repairs.

NYCHA moved forward quickly on its housing development agenda, even before the NextGeneration plan was released. By late 2014, it had begun to engage residents at three developments targeted for 100-percent affordable housing: Mill Brook Houses in the South Bronx, Van Dyke Houses in Brownsville, and Ingersoll Houses

in Fort Greene. The engagement generated some conflict, but by 2016 developers were selected for 156 senior units at Mill Brook, 188 family units at Van Dyke, and 145 senior units at Ingersoll. For the senior units, project-based vouchers were to be used to enable existing residents to access the housing; at Van Dyke, HPD subsidies will make possible a tiered-income distribution of apartments. In the handling of lottery applications, residents will be given a 25-percent preference, and there will be a 50-percent community preference. That these construction projects are not expected to generate revenues to put toward capital investment in the existing buildings is a continuing source of contention with residents, many of whom expected to benefit in terms of repairs and improvements. Instead, residents will be witnessing new housing and amenities constructed on site—a process they will also have to put up with—and NYCHA land leased for a symbolic one dollar⁴⁰ without major improvements in their living conditions. As of July 2016, three additional 100-percent affordable developments have been slated for Betances V (senior housing) and Betances VI (family housing) in the Bronx, and Sumner Houses (senior housing) in Brooklyn.

In 2015, two developments were targeted by NYCHA for mixed-income housing—Wyckoff Gardens in Boerum Hill, Brooklyn and Holmes Towers on the Upper East Side of Manhattan. A long period of resident engagement generated a good deal of contention. There were objections that the new housing would accelerate gentrification pressures in the neighborhood—pressures many residents believe will ultimately displace them, despite assurances from the authority. NYCHA argues that these communities are already withstanding substantial gentrification. Strenuous resident opposition occurred at Holmes, centering on the potential loss of a popular children's playground, and precipitated a protest demonstration at nearby Gracie Mansion during a mayoral event. At Council hearings held at the development, Chair Olatoye stood firm in her stance that “NYCHA will move forward.” It was manifestly clear that resident engagement does not convey

veto power over development plans—once a development is designated by NYCHA for construction or conversion, the only option residents have will be to negotiate as best they can on ways to maximize community benefits and moderate burdens that flow from redevelopment, in such terms as siting and design considerations, the allocation of generated revenue to improvements in existing buildings, the inclusion of needed retail and commercial facilities, the commitment to construction and permanent jobs for residents, and the like. Requests for proposals (RFPs) issued in April 2016 called for 300 to 400 units at Wyckoff Gardens and 350 to 400 units at Holmes. An announcement of additional NYCHA developments to be designated for mixed-income housing is expected shortly. It is clear, perhaps impressive, that NYCHA has swept through the resident resistance it encountered and is steadily moving forward with its housing development agenda.

The announcement of the first wave of RAD conversions was slated for July 2016, at which point NYCHA would file applications with HUD for 5,200 units in 40 developments. Recognizing that there were uncertainties and risks for residents who would be transferring to a new ownership entity, and to a new HUD program with different rules and regulations, NYCHA encouraged the Community Service Society and Enterprise Community Partners to form a RAD Stakeholder Roundtable on Resident Rights and Protections. The Roundtable began meeting in March 2016, bringing together several kinds of stakeholders: resident leaders, advocates, community organizations that work with residents, and concerned housing organizations. Its purpose was to develop “guideline principles” governing resident rights during and after conversion, with which NYCHA and the prospective owners/managers would have to comply. By July, when the first wave of RAD conversions were officially announced, the Roundtable had issued its initial list of guideline principles with NYCHA's concurrence. It is anticipated that the Roundtable will continue to meet to monitor the

RAD conversion process, identify any unexpected issues that emerge and see to their resolution, as well as provide independent information and assistance to residents targeted for conversion.

To date, resident resistance to the key housing transformations in the NextGeneration plan has, not surprisingly, concentrated in those communities that are directly affected, once they are designated as sites. NYCHA appears willing to invest long hours in engaging residents and, if not winning them over, at least negotiating their grudging acceptance of or resignation to the inevitable. Some advocacy organizations are conflicted, particularly about the use of NYCHA land for market-rate housing or the privatization of NYCHA communities. Most are pragmatic. They understand the situation NYCHA is in and its need to use every means available to reduce operating costs and raise the capital it needs for survival. Absent any massive or vocal opposition to the NextGeneration plan as policy, there is every reason to believe NYCHA will move forward steadily with its housing development and conversion plans.

While the NextGeneration plan does not fully address the \$17 billion outstanding capital need, if it succeeds it

will see a significant reduction in the backlog, totalling at least about \$7 billion in ten years. About \$3 billion is expected to come from RAD conversions as private capital takes on restoration, close to \$3 billion in ongoing federal capital subsidies at current levels, a half-billion in revenues generated by mixed-income housing development, in addition to current and future capital commitments made by the state and the city. At the end of the decade, assuming NYCHA is financially solvent, it hopes to be able to use its bonding authority to tackle the remaining capital backlog.

The question is whether NYCHA and its residents can survive their present infrastructural problems. Given the sheer scale of the problems, progress will be slow and at best incremental. Residents continue to put up with impossible conditions—media stories are frequent about households living with perpetual leaks in the kitchen or bathroom, or elderly and disabled residents who are forced to climb multiple stories when an elevator fails, either that or remain isolated in their apartments. Ultimately, the question revolves around whether a “Marshall Plan” can indeed be mounted, that is, whether government will respond to the need.



The Way Forward?

There may be some light at the end of the Washington tunnel. Both major parties appear committed to a long-deferred infrastructure investment fund to accelerate the national economy and generate jobs. Public housing infrastructure should be included. It will be up to the national network of housing advocacy organizations, resident leaders, and concerned elected officials across the country to make a convincing case for inclusion. To date, Senate Democrats have included public housing in their “blueprint” for the national infrastructure initiative, as part of a \$100 billion allocation to “Revitalize America’s Main Streets.”⁴¹

There may also be a federal expansion of the HUD RAD program, by either increasing the limit on the number of units in the program or removing it entirely. The Senate has already crafted legislation to raise the cap, but the House has not concurred. What NYCHA can or would do with an increased opportunity for RAD conversion and rehabilitation is unclear. Under the present NextGeneration plan, at most a tenth of the inventory is slated for conversion over the next ten years. To what extent NYCHA can expand conversions of its inventory is uncertain. That would depend on where conversion deals can be made to work, and whether potential financing is available and sufficient to meet the outstanding capital needs of the developments. The present proposal to use project-based vouchers in all RAD conversions would have a limiting effect because it would lessen the number of Section 8 vouchers available to current voucher holders and to waiting list families seeking apartments in the open rental market.⁴² NYCHA currently has a limited pool of 89,000 vouchers. Without a substantial federal increase in voucher funding, it is unlikely it will be able to convert a major portion of its inventory, as San Francisco and Baltimore are doing.

This is not a time to count on Washington, given the stalemate of the last eight years and the uncertainties under a new administration. For the foreseeable future, it will be up to the city and state to come through with much of

the Marshall Plan needed to meet the capital needs of their largest single affordable housing resource for low-income New Yorkers.

The recent history of state reinvestment in NYCHA and its residents does not provide much cause to be sanguine. (See Table 3.) Despite the pressure from concerned legislators, residents, and the broader housing advocacy community, the governor appears reluctant to address the authority’s basic infrastructure needs, even when there is \$100 million in the budget that can be put to the purpose. Then there is the pending \$5 billion, 5-year affordable housing initiative—whether the pressure to allocate a portion of it or make a parallel commitment to NYCHA will ultimately succeed is an open question. One positive sign is that the governor has agreed to endorse the dedication of \$400 million in excess Battery Park City revenues to NYCHA improvements over the next decade. But there, the mayor seems to be the major obstacle, no doubt because of its potential impact on the city budget.

Under Mayor de Blasio, the city has already provided significant support to NYCHA—in 2014, relief from over \$100 million in required annual payments to the city; in 2015, a three-year capital commitment of \$300 million for roof replacements; and in 2016, \$75 million for façade improvements. In January 2017, the mayor took a major step forward to address the imbalance between his affordable housing plan and the NYCHA preservation plan, committing \$1 billion in capital over 10 years to roof replacements. It sets a new challenge for the state to match, but it is far from enough to meet the need. Advocates are pressing the city for a baseline commitment of \$1 billion each year. (See Table 3.)

Increased pressure will also need to be exerted in Albany. In his January 2017 budget proposal, Governor Cuomo allocated another \$100 million for “NYCHA projects and improvements.” Not only does this commitment need to be increased over the long term, it needs to be earmarked for NYCHA infrastructural improvements, rather than distributed piecemeal to legislators for less urgent projects.

**TABLE 3. GOVERNMENT INVESTMENT POST-2014:
AFFORDABLE HOUSING VS. NYCHA PRESERVATION**

CITY	<u>Affordable Housing</u>	<u>Preserve NYCHA Housing</u>
Mayor's Housing Plan (construct 80,000 units, preserve 120,000 units)	\$8 billion (city capital, 10 years, 2015–2025)	- 0 -
Capital Budget Allocation Roof Replacements		\$300 million (3 years, 2015–2017) \$1 billion (10 years, 2017–2026)
Expense Budget Allocation Façade Repairs		\$75 million (1 year, 2016)
STATE		
Governor's Affordable Housing Plan (construct/preserve 10,000 units)	\$5 billion (state capital, 5 years, 2015–2020)	- 0 -
Special Allocation (Bank Settlement Funds) (quality-of-life improvements)		\$100 million (1 year, 2015) \$100 million (1 year, 2017)
NYCHA (Next Generation Plan)		
NextGen Neighborhoods Plan (construct 7,500 mixed-income—50% affordable residential units on NYCHA land)		\$300–600 million (10-year revenue generated for capital improvements)
Conversions from Public to Affordable Housing (15,000 units in scattered-site and obsolete developments, under HUD Rental Assistance Demonstration)		\$3 billion (10-year reduction in capital backlog)
WASHINGTON		
Annual Capital Subsidies (Estimated, depends on Appropriations)		\$2.6 billion (over 10 years)
National Infrastructure Investment Fund (Assuming public housing infrastructure is included)		???

For NYCHA to receive its fair share of capital resources from the city and state, several things need to happen. First, the firewall now separating affordable housing initiatives from public housing preservation needs to be brought down, either that or an appropriate parallel commitment needs to be made to NYCHA. It may be conceivable that government will do just that of its own accord because of the critical importance of public housing in the city's housing infrastructure and because it would serve a good purpose. More than likely, that will not happen by itself.

The only way for that to happen is to stir the “sleeping giant” to act and exert the grass-roots political pressure that will impel government leaders to respond, particularly with local and state elections coming up in the next two years. What's called for is a concerted and persistent campaign that focuses on NYCHA's failing infrastructure and its capital needs. The voices of dissatisfied residents, weary of impossible living conditions, are not hard to find—you can hear them any time you encounter a resident—but they need to be heard in the right places, they need to be heard often and in large numbers, and they need to be loud enough not to be ignored.

Recent rallies in Albany have shown that there are a solid core of hundreds of residents who can be counted on to mobilize, and that they will receive strong support from advocates and from a cadre of New York elected officials—at every level of government—who are genuinely concerned. Advocates can be counted on in any such campaign, both those that specialize in policy guidance and strategic planning and those that have organizing experience and expertise at the grass-roots level. Best examples of the organizers are organizations like Community Voices Heard (citywide), Families United for Racial and Economic Equality (FUREE) in downtown Brooklyn, and Good Old Lower East Side (GOLES), but these organizations are already strained for resources and will need additional support from major donors.

The missing element in mounting such a campaign is where the core of resident initiative will come from, the core that will channel current resident anger and deeply felt distrust into a united, vocal campaign. Apart from advocacy

organizations like Community Voices Heard, the natural seat for any such campaign initiative is CCOP, possibly in concert with the Resident Advisory Board (RAB).⁴³ Both organizations often confront NYCHA with their concerns and complaints, but their voices are heard largely within the “NYCHA family.” That energy needs to be channeled outward in a sustained, organized, strategic campaign, preferably with outside advocacy support if the prevailing resident distrust of outsiders can be overcome. Such a collaboration may be the only way to address the firewall that now separates major city and state affordable housing initiatives from the preservation of public housing.

Without a dramatic change in government priorities—one that favors restoring public housing rather than marginalizing it while exploiting its land assets—the prospects are dismal. NYCHA and its residents will face continuing physical decline. The authority may, at some point, have to take drastic measures—as other large-city housing authorities have done—either to privatize its inventory to assure restoration and survival, or undertake massive demolition and redevelopment of its real estate assets.

Among large-city housing authorities, NYCHA has been a standard bearer for generations, particularly when it comes to preservation. Compared to other authorities—like Atlanta, Chicago, and Newark—NYCHA has been steadfast in holding on to its inventory. There should be little suspicion that it will attempt to do otherwise in the future—that is what the “next generation” brand implies. But it will need major capital support from government if it is to survive as an institution that does more than manage decline and withstand the growing anger of residents.

Government's failure to respond to the need, at the level and scale required, will doom New York's third city to a future of continuing decline and the impending loss of critically needed low-income housing resources. In the midst of a city undergoing a marked period of population and economic growth, with an otherwise vital housing economy, the presence of a rotting core of public housing would not only seem absurd, it would be tragic.

NOTES

1. *Strengthening New York City's Public Housing: Directions for Change* (Victor Bach & Tom Waters, Community Service Society, July 2014). www.cssny.org.
2. Often referred to as the “towers-in-the-park” model given currency by the French architect, Le Corbusier, in the 1920s.
3. This paper focuses on housing and related policy issues facing NYCHA and its residents, rather than on the significant safety and security issues experienced in public housing communities.
4. In 2006, the operating deficit reached a peak of \$235 million. It is now estimated at \$22 million.
5. Historically, the state has been innovative in developing affordable housing policies, including public housing: The 1955 Mitchell-Lama program became a national model for federally-subsidized housing programs by the 1960s. At the city level, the Bloomberg and de Blasio initiatives were preceded by Mayor Edward Koch's massive program to restore housing in neighborhoods of abandonment. See: Alex Schwartz, *New York City and Subsidized Housing: Impacts and Lessons of the City's \$5 Billion Capital Budget Housing Plan*, Housing Policy Debate, volume 10, Issue 4, 1999.
6. NYCHA was created under Mayor Fiorello LaGuardia in 1934 and developed the first public housing in the country, First Houses in the Lower East Side.
7. See: Nicholas Dagen Bloom, *Public Housing That Worked, New York in the Twentieth Century* (University of Pennsylvania Press, 2009).
8. Unless otherwise stated, the analyses in this paper were drawn from the 2014 New York City Housing and Vacancy Survey (HVS). HVS is a triennial survey of the city's housing and resident population, based on a random sample of about 18,000 households, conducted by the U.S. Bureau of the Census.
9. *Strengthening New York City's Public Housing*, op. cit.
10. Under the American Reinvestment and Recovery Act (ARRA) of 2009, NYCHA received \$423 million in capital funds for “shovel-ready” projects. ARRA also allowed for the federalization of state- and city-financed developments, making them eligible for federal operating and capital subsidies.
11. *Adopted Budget for FY 2016 and The Four Year Financial Plan for FY 2017-2020* (NYCHA, December 2015) page 18.
12. Federal law and HUD regulations permit housing authorities to transfer up to 20 percent of their capital subsidies each year to operations
13. As used here, “low-income” refers to household income levels at or below twice the federal poverty level. In 2016, that would mean an income up to \$40,180 for a three-person household.
14. See: *America's Rental Housing: Expanding Options for Diverse and Growing Demand* (Harvard Joint Center for Housing Studies, Cambridge, Massachusetts, December 2015) and *Out of Reach, 2016: No Refuge for Low Income Renters* (National Low Income Housing Coalition, Washington, D.C., 2016).
15. Tom Waters and Victor Bach, *Making the Rent 2016: Tenant Conditions in New York City's Changing Neighborhoods* (Community Service Society, May 2016).
16. The Brooke Amendment, enacted in 1969.
17. It should be noted these deficiencies refer only to conditions within apartments. They do not include building deficiencies, such as elevator breakdowns, broken front-door locks, problems in common spaces. Reported deficiencies include: Water leaks; broken plaster/peeling paint (larger than 8.5x11in.); cracks/holes in walls, ceilings, or floors; toilet breakdowns; heating breakdowns; additional heating needed; and rodents..
18. Other subsidized housing includes Mitchell-Lama rentals, federal Section 236 and project-based Section 8 developments, and private rentals where the tenant holds a Section 8 Housing Choice Voucher.
19. Figures are from the NYCHA Office of Performance Management and Analytics, August 2016.
20. NYCHA, Draft—PHA Agency Plan; Annual Agency Plan for Fiscal Year 2017, June 17, 2016, page 161.
21. Ceiling rents were abandoned several years ago due to federal pressure to establish “flat rents” for apartments, based on comparable market rentals. At present, the Section 8 Fair Market Rent (FMR) is the standard for setting flat rents.
22. H.R. 3700, Housing Opportunity through Modernization Act of 2016.
23. U.S. Housing Act of 1968.
24. *A Report Card for the New York City Housing Authority: Residents' Evaluation of NYCHA and Recommendations for Improvement* (August 2011). The report was prepared by Community Voices Heard, CAAAV: Organizing Asian

Communities, Families United for Racial & Economic Opportunity (FUREE), Good Old Lower East Side (GOLES), and Mothers on the Move (MOM), in collaboration with the Urban Justice Center—Community Development Project.

25. HUD 24 CFR Part 964, Federal Register, August 24, 1994.

26. This situation is not atypical of grass-roots organizations. See: Saul Alinsky, *Rules for Radicals: A Pragmatic Primer for Realistic Radicals* (New York, Random House, 1971).

27. “This is NYCHA, Why Haven’t You Paid Your Rent?” (Jaclyn Peiser, *The Real Deal*, September 3, 2015).

28. Under a negotiated rulemaking process, HUD in 2001 agreed to set aside Tenant Participation Activity (TPA) funds to strengthen local resident participation. The amount sent each year to each housing authority is \$25 per occupied unit. The authority can take 40 percent of the funds as an administration fee. The rest must be allocated in accordance with a memorandum of agreement between the authority and the jurisdiction-wide resident body.

29. In 2013, during the Bloomberg administration, NYCHA proposed building private residential developments on available land in strong market areas. Twenty percent of the units were to be “affordable,” eighty percent at market rent levels. Eight developments were targeted in East Harlem, the Lower East Side, and the Upper West Side,

30. *Housing New York: A Five-Borough, Ten-Year Housing Plan*, April 2014.

31. In 1979, when the Battery Park City development plan was approved by Mayor Ed Koch and Governor Hugh Carey as an upscale residential and commercial development, it was agreed that any excess revenues generated would be allocated to affordable housing needs in other communities.

32. New York City Housing Authority, *NextGeneration NYCHA*, May 2015.

33. Original affordability targets were households at 60 percent of AMI, about \$47,000 for a family of three, an income level well above most NYCHA residents.

34. Scattered-site developments (about 6,500 units) are buildings that NYCHA agreed to take over when their original private owners defaulted. They are costly to manage because they are not built to conventional public housing standards and require customized repair and replacements. HUD considers a public

housing development “obsolete” if it would cost less to construct than to rehabilitate.

35. Under RAD, the development becomes part of HUD’s Multifamily Housing Program as project-based Section 8 and is transferred out of its Section 9 Public Housing Program.³⁴ Scattered-site developments (about 6,500 units) are buildings that NYCHA agreed to take over when their original private owners defaulted. They are costly to manage because they are not built to conventional public housing standards and require customized repair and replacements. HUD considers a public

36. RAD requires the new owner to meet the 25-year capital need.

37. One of the major reasons given for selecting Ocean Bay was the availability of Superstorm Sandy recovery funds to help make conversion deal feasible.

38. “Visit to Bronxchester Shows NYCHA in Transition,” August 16, 2016 (Libby Wetzler, *Gotham Gazette*).

39. NYCHA Metrics, August 2016, available at: www.nycha.city.gov.

40. The rate was a standing agreement between HPD and NYCHA in order to reduce development costs and promote affordability.

41. “A Blueprint to Rebuild American’s Infrastructure,” U.S. Senate Democratic Conference, January 2017, pp 2-3.

42. NYCHA can also use tenant protection vouchers for the purpose, provided HUD allocates them.

43. The creation of a Resident Advisory Board (RAB) is required each year under the 1998 Quality Housing and Work Responsibility Act to consult with authority in the development its annual plan. The NYCHA RAB has 51 members, including CCOP.

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